

## THE ECONOMY OF INDO-CHINA

and from there to Ceylon. From this modest beginning sprang the rubber plantations of tropical Asia.

The colonial administration is credited with the first important to grow in Cochin-China, but unfortunately they selected

with soil of poor quality. The experiment was entrusted to the Forestry Service, which had neither the leisure nor the technical knowledge to direct such an enterprise. The results were discouraging, but

the government organized a far better experiment station at Ong-Yem in Cochin-China. The first non-official effort was that of Belland at Gia-dinh. Although he had too little capital, he had the advantage of labour conditions and of greater accessibility to his plantation.

Unfortunately the growth of his crops was handicapped by faulty planting.

By 1906 the prosperity of Malaya and Java aroused new interest in Indo-China's rubber. The following year a group of Frenchmen in the colony subscribed enough capital to start two large plantations at Tbudaumot and Bienhoa. This effort marked the beginning of capitalist colonization in Indo-China. The results were so encouraging

public attention was drawn to Cochin-China's wealth in redlands.

The government was even aroused to build roads into this potential rubber region. In 1910 began the rubber boom which led French

capitalists to think that Indo-China might surpass Malaya, for it had cheaper labour, lower taxes, and suitable kind of greater accessibility.

But the Metropolitan French continued to prefer Malaya where, in 1910, their capital investment was valued at 100,000,000 francs. Only a

few of Cochin-China's rubber companies were created by Metropolitan

capital: the majority were founded with local savings. The six-

year interval between the planting and tapping of rubber is too long for the impatient French investor, who wants an immediate return on his money. Three-fourths of the pre-War capital invested in tropical areas was English.

From the beginning of the War England declared rubber to be contraband, and this meant the closing of an important market. In spite

of this handicap, rubber sales increased during the War, due both to the needs of the belligerents and to the growth of the automobile

industry. In Cochin-China the 'difficulties of this period were principally caused by the mobilization of its technicians, by the scarcity of freight, and by a rise in the silver piastre. Rubber went through a crisis in 1921-22, and the planters who had formed themselves into an association in 1910 appealed to the government for aid. The Bank of